

**Annual Progress Report  
On Implementation of the Housing Element  
General Plan Report requirement pursuant to  
Section 65400 of the Government Code**

**Jurisdiction:** City of Gonzales

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DIV. OF HOUSING  
POLICY DEVELOPMENT HCD

**Report Period: January 1, 2004 - December 31, 2004**

**A. Progress in meeting Regional Housing Need**

1. Total number of new housing permits issued:

The certified City of Gonzales Housing Element 2000 – 2007 was completed and adopted in April, 2003. Table IV-25 shown below is found on page 26 of the Housing Element. The table provides data on housing constructed during the years 2000 and 2001, and shows the residual housing needs per the AMBAG Fair Share Allocation for the remaining 5 ½ years of the Housing Element update period, or until July, 2007.

**Table IV-25**

**HOUSING UNITS NEEDED TO MEET FAIR SHARE TARGET**

**1/1/02 - 7/1/07 (Revised New Construction Need in Units)**

<b>Household Income Group</b>	<b>Amount Added 2000 – 2001</b>	<b>New Construction Need</b>
Very Low-income		96
Low-income	8	64
Moderate-income		102
Above Moderate-income	119	40
Total	127	302

The following table, prepared for this report, shows the additional housing constructed during calendar year 2004. The remaining construction needs to meet the AMBAG Fair Share Allocation is shown in the right hand column.

**HOUSING UNITS CONSTRUCTED JANUARY THROUGH  
DECEMBER 2004, AND REMAINING NEED FOR PERIOD**

<b>Household Income Group</b>	<b>New Construction Need As Of January 1, 2004</b>	<b>Units Added Jan 1, 2004 through Dec. 31, 2004</b>	<b>New Construction Need 2005 - 2007</b>
Very Low-income	96	11	85
Low-income	58	25	33
Moderate-income	102	0	102
Above Moderate-income	(31)	5	(36)
Total	256	41	220

Note: The City does not have accurate information as to sales price of new homes during 2004. The 5 units built during the period were single-family detached residences that were sold at market rate. Most or all of these units are likely to have been priced at levels accessible only to above moderate-income buyers.

2. Describe the affordability, by income level, of new units including the number of deed restricted affordable housing units.

See table above. The 36 units in the very low an low-income groups were part of a 36-unit affordable townhome project proposed by a non-profit housing provider. All 36-units are deed restricted by income per HUD and HCD standards.

3. Compare units added to regional housing need allocation by income category.

Refer to preceding discussion.

4. Potential additional residential development.

The City is now essentially fully built out within its corporate boundaries. There is additional land designated for urban development by the Gonzales General Plan that is now within the sphere of influence approved by the Monterey County LAFCO. The City submitted an annexation application to the Monterey County LAFCO in November, 2004 and it is hoped that the annexation process will be

completed during the spring of 2006. The territory involved includes approximately 150 acres of area designated for residential development that would support up to 800 units. The properties involved are all prime agricultural lands, and there are no public facilities or utilities in place whatsoever. Costs for these facilities and utilities will be substantial and will need to be paid for solely by the future developers. In addition, it will be several years before the City's sewer treatment capacity can be expanded sufficiently to provide the sewer service to the areas.

These projects are unlikely to be constructed before two or three years from now, under the best circumstances given the time required to secure developers, discuss development with the City, and submit and process subdivision maps and construct public improvements and then start home building. It is unlikely therefore that the City will be able to meet the current Housing Element targets, but if it can be done, it will be towards the end of the current cycle.

There is one major potential growth area adjacent to the City, but outside the current general plan and sphere of influence that is currently being discussed. This is a 770-acre Fanoie Ranch agricultural parcel that a housing developer has under option to purchase. Development of this property, according to the developer's preliminary plans, would triple the housing in the City. The City will be evaluating this area as part of several growth scenarios in the update of the Gonzales General Plan currently in progress. If this area is designated as a future growth area for Gonzales, and if the City can reach agreement with the County of Monterey and LAFCO on a sphere of influence amendment to add this area to the City's sphere, then there will be the potential for considerable additional housing development in future housing element cycles.

## **B. The effectiveness of the housing element in attainment of the community's housing goals and objectives**

1. Include a program-by-program status report relative to implementation schedule from each program in the housing element; describe actions taken to implement each program.

The City started detailed review of zoning ordinance changes appropriate to implement the Housing Element programs in November, 2003. The Planning Commission considered various amendments over the course of seven meetings and concluded in June, 2004. The City Council considered the Planning Commission's recommendations at three separate meetings in July, August and September, 2004. In summary, several amendments to the zoning ordinance have been completed to bring the City's codes into compliance with the current status of state laws related to housing. Several other programs contained in the Housing Element were reviewed by staff, the

Planning Commission and City Council and it was determined that no changes in City regulations were appropriate. Overall, it is estimated that staff time and public hearing costs to the City for completing the above work is approximately \$20,000.

## 2. Assess effectiveness and outcomes.

The modifications to the zoning ordinance adopted by the City Council will be effective to carry out their specific purposes.

However, Gonzales is an old community and is almost fully built out. Many lots have multiple residential units on them now as a result of being developed before significant land use regulations were in place. Several applications for second units have now been approved and constructed. Approval of these units was made possible by reductions in the minimum lot size required to support such units. More people are becoming aware of the potential to construct second units. However, the remaining potential to construct second units is limited due to lot sizes and the existing extent of development.

Significant progress toward meeting overall housing needs has to do primarily with the City's ability to annex additional land in the future. This depends on approval or agreement of other public agencies, particularly the County of Monterey and the Monterey County Local Agency Formation Commission. Agricultural conservation is an issue in the Salinas Valley where the land to be converted to urban development ranks as some of the most productive in the nation. Concern about protection of agricultural lands is the primary factor governing the extent to which the City will be able to expand. There are certainly other issues of concerns as well, including the City's ability to provide services and facilities and to add jobs to keep pace with housing.

## **C. Progress toward mitigating governmental constraints identified in the housing element.**

There do not appear to be constraints present in the City's procedures or codes that would act as constraints to normal processing of residential development applications. The City complies with state laws establishing processing times and procedures for development applications.

